



## Budget Committee

### TOWN OF GILMANTON

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1 Budget Committee

DRAFT

2 Wrap-up Meeting

3 04-13-2022- 6:04 p.m.

4 **Members Present:** Chairman Forst, Vice-Chair Anne Kirby, Alec Bass, Joshua Mann- newly elected member, Ron  
5 Leclerc- newly elected, Sawyer Lake Rep. Rich Adams, Adam Mini- School Board Rep., and Selectmen's Rep.  
6 Vincent Baiocchetti

7 Staff Present: Heather Carpenter- Town Administrator

8 Result of the Election: Based on the results of the election two new members have been elected Ron Leclerc and  
9 Joshua "Josh" Mann.

#### 10 **First Order of Business**

11 Nominations for 2022 Budget Session:

12 **Nomination for Chairman-** MOTION: On a motion by Alec Bass and seconded by Anne Kirby, it was voted to  
13 nominate Brian Forst as Chairman of the Budget Committee. (8-0).

14 **Nomination for Vice-Chair-** MOTION: On a motion by Alec Bass and seconded by Brian Forst, it was voted to  
15 nominate Anne Kirby as Vice-Chair of the Budget Committee. (8-0).

- 16 • School budget results- All items on the School budget passed.
- 17 • Town budget results- The results were a little surprising as a default budget was passed. The last time a  
18 default budget was passed was in 2015 and the default budget was higher than the proposed operating  
19 budget.

20 Chairman- The concern with the way things went, was there was minimal to no participation at the Public  
21 Hearing. We had minimal participation at the Deliberative Session and then we had a lot of outcry on social  
22 media. As a committee, there is nothing we can do once the budget moves on from Deliberative Session. The  
23 chairman calls for a brief discussion regarding ideas on how we could attract better voter participation to the  
24 budget process. We are an elected Board by the voters of this town and we cannot perform their wishes if we  
25 don't have any idea what their wishes are.

26 The budget that was put forward was a good budget. The Chairman voiced concern at one of the first meetings  
27 that this was going to be a tough year and that was long before the rise in costs. There are positives that have  
28 come from the committee on the process.

29 Selectmen's Rep- The Board of Selectmen got caught at the eleventh hour with negative input from a few  
30 people. Primarily, I thought at the time it would have presented as reactionary to respond to the information at  
31 that time and may have done more harm than good. What the Board has decided is to start our Facebook page,  
32 providing live videos of the meeting, but only allowing the output of information. Providing more information  
33 via social media, and providing more information in general. There was a lot of misinformation about the 2.8  
34 million in unassigned fund balance. There is potential for a lawsuit if the town lost the lawsuit there could be a  
35 potential loss of three (3) million dollars. Insurance only covers approximately one-hundred thousand dollars.

36 Further discussion regarding the frustration and disservice that misinformation causes. The Vice-Chair  
37 recommends utilizing social media for the output of information in the next budget season, inviting the public to  
38 participate in the public sessions, coming to the budget meetings that take place from November- to January,  
39 provide public comments and public participation so the committee has a better pulse on what the community  
40 is looking for & participating in the Deliberative Session.

41 *School Board Rep. arrived at approximately 6:12 p.m.*

42 The issue with the social media discussion on the public side of it was wrenching to read due to the  
43 misinformation aspect. There were committee members that tried to provide facts to the community groups.  
44 The other issue with social media is that it only represents a portion of the voters, not everyone participates in  
45 social media platforms so the focus cannot only be on that platform.

46 There is only so much the Town can do to entice public participation. The process that is in place is posting  
47 meeting agendas online, at post offices, online posting meeting minutes, and online and newspaper postings for  
48 public hearings. The website allows for E-News Subscription that anyone can sign up for website notices. Online  
49 budget documentation, voters guide, and annual reporting in advance of the deliberative session are provided.  
50 The official Town Facebook page will post the link to the documentation provided on the website so that it  
51 continues to draw people back to the website for information. The hope with these steps is to funnel voters to  
52 these locations that provide good, fact-based information.

53 Another issue was that the public thought that the candidates' night was a deliberative session.

- 54 ☐ **Recommendation:** To provide the online budget documents to the public before each meeting.
- 55 ☐ **Recommendation:** To provide postings two weeks in advance of the meetings at the Transfer Station.
- 56 ☐ **Recommendation:** Deliberative Session- Providing a summary at deliberative of the intent of each  
57 article.
- 58 ☐ **Items to look into:** Road signage for budget meetings positioned at the Transfer Station

59 Further discussion on ways to reach the public, provide good information, and how to go against the tide of  
60 misinformation.

61 The items that did pass, like the Fire Truck, were good. The community is very fortunate to have been financially  
62 secure enough to move forward with the fire truck and not have a note or a bond for that purchase especially  
63 when the Capital Reserves have not been properly funded in the past.

64 Overall, there were positive outcomes through the budget process but the negativity was an issue.

65 Joshua Mann- There is always going to be a small subset of people and they tend to be the loudest and the ones  
66 you don't hear from move forward with the facts.

67 Selectmen's Rep- Back in the day everyone knew who that loud group was and weren't credible. Now people are  
68 new to town, who don't know the historical reference of who that loud group is and they assume the  
69 information they are stating is correct. The subset comes and goes and eventually loses traction as it goes, we  
70 suffer, and then it costs us more money to catch up.

71 Further discussion regarding political unrest and the atmosphere that creates.

- 72 ☐ **Idea/ Suggestion:** Making videos to show the need for what is an item being presented.

73 Chairman – He is inclined to follow the same format as the previous year with the preliminary meetings with the  
74 School Board and Selectmen to get an idea of the proposed budget before they get to the proposed final  
75 budget. He feels this is the most productive.

76 Vice-Chair Kirby - Believes good communication early will be important in the process.

77 Selectmen's Rep – Roads, employee salaries, and benefits have been discussed already in regards to the default  
78 budget.

79 TA Carpenter – Liked the format and how everyone presented the way they did. Is there a way to get an  
80 approval process for any budget coming forward within the timeframe, prior to Super Saturday and then be able  
81 to use that day as a public forum and potentially change their minds on the approval process in the future, prior  
82 to the deliberative session?

83 Vice-Chair Kirby – Clarified that the Public Hearing is for them to hear from voters. The Board is presented with  
84 the information, then it is brought to Super Saturday for consideration, and the formulation of the budget is  
85 determined. Generally, Fire Chief, Police Chief go to Super Saturday, but if the public decided to attend, it would  
86 likely be a continuation of the Public Hearing.

87 TA Carpenter – Believes that the public doesn't attend the Public Hearing because it is considered a preliminary  
88 discussion, but it is not, the public has the opportunity to provide input. It can be decreased from that point but  
89 the increase or further decreases from the voters can take place at Deliberative.

90 Discussion held on the process for Super Saturday, approving preliminary budgets as they go, and having an  
91 open discussion at the end so there can be more community involvement and input.

92 ☐ **Idea/Suggestion:** Release preliminary budget information a week prior to the Public Hearing.

93 Chairman – His understanding of the process is the Selectboard recommendations, formulated by their meetings  
94 with their Department Heads. The result of that process is presented to the Budget Committee. The Budget  
95 Committee listens to Department Heads to get an idea of why their budget is presented the way it is or if  
96 something was not recommended by the Selectboard that the department feels they need. After they have  
97 heard everything from the boards, committees, and subcommittees the recommendation of the Budget  
98 Committee is presented. At that point, their recommendations are presented at Public Hearing.

99 Selectmen's Rep – The Selectmen present a reasonable budget to run the operation of the town just like the  
100 Schoolboard. This information is presented to the Budget Committee. This is the purest form of democracy  
101 because every voter has a say. It is not the Town government raising taxes, it is the people who are raising  
102 taxes, lowering taxes, or getting services or not getting services, not the elected officials.

103 Discussion held on the current tax rate in Gilmanton in comparison to other towns. Artificially reducing the tax  
104 rate using a significant portion of the unassigned fund balance can negatively impact future tax rates.

105 Selectmen's Rep – The Selectboard thought that having a \$2 million in unassigned fund balance is appropriate,  
106 in case there was a catastrophic problem that money was needed for but still be able to operate the budget was  
107 a reasonable figure.

108 Chairman – Stated that there were discussions held on what the undesignated fund balance would be.

109 TA Carpenter – There is a policy it ranges from 10-15 percent of regular general fund operating expenditures.  
110 There was an increase in the unassigned fund balance due to emergency orders and being able to withhold a  
111 portion of that money. Having an unassigned fund balance is not inappropriate management of funds; it is  
112 equity for a catastrophic event that cannot be budgeted for.

113 Adam Mini – As a School Board member he understands how the unassigned fund balance works for the  
114 school's budget, but wanted to have some more clarification on how the town's unassigned fund is accounted  
115 for. If the voters approve for example \$11 million, if they have a \$1 million unassigned fund balance, they only  
116 ask the town to give them \$10 million. How is that number adjusted in terms of setting the tax rate and if there  
117 is something mechanically wrong with the process that exacerbates the concern here because we're looking at a  
118 larger fund balance this year?

119 Ron LeClerc – I have worked for the Department of Education since 1997. It's the gross budget to approve,  
120 estimated revenues, less your fund balance, and that is the amount that you raise for taxation. So that fund  
121 balance doesn't go to the Town side, it's on the school side, it is the school piece of the tax rate that is used for  
122 that fund balance to reduce it. It is separate and not co-mingled.

123 Adam Mini – If that is the case then that's fine. Then there is nothing you can do. The taxpayers are looking at  
124 the payment schedule between the district and the town. So, there is an assumption that there is \$11 million  
125 worth of payments, not \$10 million. The payment schedule doesn't reflect the budget that is voted on.

126 Ron LeClerc – If you are not familiar with the MS-24 from the Department of Revenue, get familiar with it. It  
127 stays in the school to reduce the school budget.

128 Alec Bass – In researching, schools cost three (3) times the amount of a town. It is almost implied that the  
129 school's budget is out of line but it just costs three (3) times the amount to run a school. He believes messaging  
130 has to be very clear because it won't help the town if the school is not supported. We pay more than most  
131 schools at the high school level. Every year Gilford gives them the rates and every year it's high, every year this  
132 happens, have they given the second half rate, and are we in the same situation?

133 Adam Mini – This is not received until June.

134 Alec Bass – Adam has been at them to solve this problem, but this year is another year to try to help that, to  
135 take a few hundred thousand off the operating budget next year.

136 Adam Mini – They have requested the cost of tuition to be set for the high school because it keeps increasing  
137 above \$20,000. They are working to negotiate the contract and meet regularly.

138 Alec Bass – Just in the last few years there has been \$500,000, \$600,000 and you use a portion of that for other  
139 projects which irks him. There's all this money that has to be budgeted for, but then how is it that different.  
140 That could come out of the school budget.

141 Vice-Chair Kirby – Commented on Kindergarten enrollment, if the numbers are around 30 there will be tough  
142 decisions to make. There is a lot of staff for 360 kids. She'd like to see a budget for next year lower than this  
143 year's.

144 Adam Mini – The last two years have been a struggle because of the grant money so the fund balance is going to  
145 be high, but that is why the fund balance is increasing.

146       □ **Idea/Suggestion:** If the school has a large fund balance the best thing that can be done is give every bit  
147       of it back to the town and not encumber hundreds of thousands of dollars.

148       Adam Mini – There have been upgrades to the technology in the school because they were behind in that way.  
149       Teachers are getting Smart Boards and there is more opportunity to utilize programs that the students didn't  
150       have access to before.

151       Alec Bass – Knowing all the technology came from grants, there's always a looming question when the grant  
152       runs out and we're going to have to foot the bill. Is there a way to appropriate some of that into the  
153       replacement of what these grants provided so that when that time comes it's a smooth transition?

154       Adam Mini – The school has historically used the fund balance and worked on projects that needed to be done.  
155       They don't want a large fund balance but believe while they have a large fund balance, they should be taking  
156       care of projects while there is the ability to do so. He does not like asking for money without having a plan.

157       Chairman – The Committee does not like to recommend giving money without a plan.

158       Vice-Chairman – Is the process for budget starting the same time of year as it did last year?

159       TA Carpenter - The Towns budget process will be starting at the end of July. The budget process won't stop this  
160       year due to the added effort from the adjustments from the default budget. The default budget and wages have  
161       now been re-adjusted, and they are working on the operating budget next. They have the audit in April and  
162       between May and June they gather their number and the process begins again.

163       Selectmen's Rep – This year the Selectboard is working on policies, pay scale, and roads this year.

164       Chairman – He does not see a benefit to beginning the budget process earlier for the committee. The Selectmen  
165       and Schoolboard need to start earlier to present as much information as possible to the Budget Committee.

166  
167       Selectmen's Rep – Their goal is to present in November this year, and they would like to also request that the  
168       outside agencies come in to physically present their requests this year and explain what benefits they have  
169       provided for the town this year instead of just mailing them in.

170  
171       Discussion held on how many times to meet with the Selectboard and School Board, spring, summer, and late  
172       fall is preferred or late spring and early fall. Committee agreed on one meeting before the budget season begins  
173       tentatively looking at August. There is a scheduling conflict on Wednesdays which Chairman and TA will be  
174       looking at working out. Committee would like to continue having Wednesday meetings weekly during that  
175       process.

176       TA Carpenter – Budget Committee takes precedent.

177

178       **Motion:** On a motion by Selectmen's Rep. Baiocchetti and seconded by Vice-Chairman Kirby, it was voted to  
179       adjourn. (8-0)